



# **Hon. Robert T. Matsui**

## **Member of Congress**

*Robert T. Matsui*

Serving California's 5th District

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### **MATSUI PROTECTS SENIORS' SOCIAL SECURITY COLA**

*Joins House, Senate Democratic Leaders to Unveil Legislation*

WASHINGTON, D.C. – Congressman Robert T. Matsui joined House and Senate Democratic Leadership in unveiling legislation to protect seniors' annual Social Security cost-of-living adjustment (COLA) from being eroded by increases in their Medicare premiums. Currently, if a senior's Medicare Part B premiums for doctor's visits and other outpatient care exceed their Social Security COLA, then they do not pay the excess premium. Due to the Republican prescription drug bill, the new Part D premium for prescription drugs does not afford the same protection to the Social Security COLA.

"With medical premiums and prescription drug costs skyrocketing, paying the combination of the Part B and Part D premiums will put a huge strain on seniors trying to make ends meet," Matsui said. "This legislation would guarantee seniors could keep at least three-quarters of their COLA to maintain their purchasing power and help pay for everyday needs such as food, housing and energy costs."

Medicare premiums are typically deducted from Social Security checks. The Social Security COLA is based on annual increases in inflation, whereas Medicare Part B and Part D premiums are based on increases in program spending and increases in drug spending respectively – both of which have historically risen much faster than inflation. This year, for example, the Part B premium ate up almost 42% of the average retiree's COLA increase. Seniors paying both Part B and Part D premiums could see their entire COLA erased by premium increases, actually resulting in an annual decrease in their Social Security checks.

Women and minority seniors in particular depend on the Social Security COLA to make ends meet. 25% of women retirees rely on Social Security for 90% of their income. 67% of African American retirees and 78% of Hispanic retirees have no pension other than Social Security.

"For women and minority seniors, this legislation is particularly important as often Social Security is their only source of income," Matsui said. "Even a slight decrease in their yearly Social Security COLA puts their livelihood at risk. Through this legislation, we can ensure they continue to take care of their basic needs."

In 2007, the legislation would help over 14 million Social Security recipients. By 2014, it will help more than two-thirds of seniors and people with disabilities, approximately 23 million Americans.

"I urge the Republican leadership in the House and Senate to consider this important legislation in order to help seniors' deal with rising costs of prescription drugs and medical care and protect them from substantial decreases in their Social Security benefits," Matsui said.

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